GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1412
ANSWERED ON:28.11.2000
LOSSES TO PUBLIC SECTOR STEEL PLANTS
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Will the Minister of STEEL be pleased to state:

(a) whether all the Public Sector Steel Plants have been going deep into the red;

(b) if so, the details of the losses incurred by each of them during the last three years;

(c) the reasons, therefor indicating their capacity, actual utilization and disposal of steel stocks, plant-wise; and

(d) the steps taken/being taken to take them out of the red and make them viable in the context of globalisation?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) & (b): Details of profits/losses(-) incurred by public sector steel plants during the last three years are as follows:-

(Rs. in crores)

Year	BSP	DSP	RSP	BSL	ASP	SSP	VISL	IISCO	RINL
1997-98	701	-509	-374	367	-88	-120	-84	-395	-177
1998-99	301	-719	-765	-165	-179	-180	-74	-357	-457
1999-00	92	-651	-704	120	-260	-142	-91	-210	-568

(c) The losses incurred by the public sector steel plants are interalia mainly due to sluggish market conditions, high capital related expenses, cheap imports, competition from private sector, high manpower cost etc. Details of the capacity, actual production and sales of steel plants of SAIL and RINL for the last three years are as follows :

(Unit 000t)

Plants	1997-98		1998-99		1999-2000	
	Annual Capacity	Actual	Annual Capacity	Actual	Annual Capacity	Actual
BSP	3153	3524	3153	3352	3153	3411
DSP	1586	1259	1586	1319	1586	1402
RSP	1212	1181	1212	1114	1671	1170
BSL	3156	2748	3156	2541	3780	3246
ASP	184	154	184	99	184	83
SSP	175	177	175	119	175	148
VISL	77	50	77	57	77	69
IISCO	377	315	327	285	242	250
RINL	2656	2250	2656	1933	2656	2382

Sales of Saleable Steel:

(000 tonnes)

Plants	1997-98	1998-99	1999-2000
	Sales	Sales	Sales
BSP	2901.2	334.0	3233.4
DSP	1111.5	1302.3	1346.7
RSP	940	1117.7	1311.6
BSL	2413.6	2489.8	3175.8
ASP	75.6	78.1	73.1

SSP 172.9 126.2 150.2
VISL 49 62.4 73.9
IISCO 290.9 290.7 245.2
RINL 2.2 2.1 2.2

(d) As for Steel Authority of India Ltd. (SAIL), the Government approved plan for its restructuring is under implementation with a view to increase its competitiveness and profitability.

As for RINL(VSP), the Disinvestment Commission has recommended the writing off of the entire accumulated losses of the company as on 31.3.99 alongwith disinvestment of not less than 51% of its remaining equity to a strategic buyer. No final decision has been taken by the Government on those recommendations.